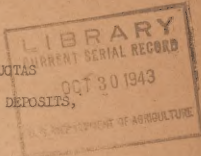


Cotton 708 - Part V

Issued June 11, 1943

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT AGENCY

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS

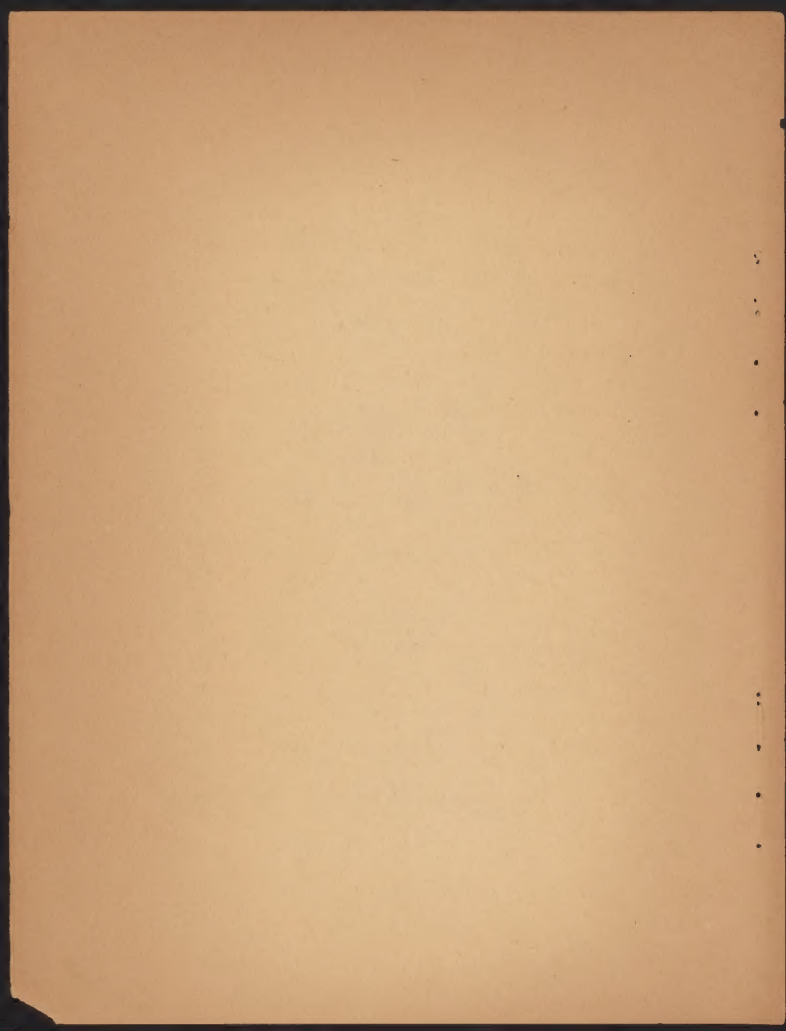
PART V. COUNTY OFFICE INSTRUCTIONS PERTAINING TO DEPOSITS,
REFUNDS, AND TRANSFERS OF COLLECTIONS

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Section 501 General instructions.

- (a) Applicability of instructions. Part V of these instructions outlines the nature of certain forms, the procedure to be followed in county offices in receiving and disposing of funds received in connection with cotton marketing quotas, and the certification of refunds of the amounts received in excess of the marketing quota penalties incurred. [The treasurer of the county committee (herein referred to as the "treasurer") is authorized to receive the amounts remitted in connection with the penalties and is required to keep, or immediately supervise the keeping of, the records, accounts, and files prescribed by the regulations and provided for in these instructions. Each form mentioned herein is a "cotton" form unless otherwise designated.]
- (b) Audit of records in connection with penalties. The prescribed records, reports, accounts, and files shall at all times be subject to examination and audit by authorized representatives of the Secretary of Agriculture or the War Food Administrator. When any treasurer is succeeded in office, the retiring treasurer shall prepare a statement of the status of the records, reports, accounts, and files and transmit it to the State office. The report shall show, among other things, the use and disposition of serially numbered forms consigned to the county committee and the amount of money received and the amount thereof authorized to be refunded or to be scheduled for transfer into the general fund of the Treasury of the United States (herein referred to as "general fund"). The incoming treasurer shall be furnished with a copy of the report and he shall report to the State office whether the report is true and complete. If the retiring treasurer is not in a position to prepare the report, the report shall be prepared and filed by the incoming treasurer. A representative of the State office shall also examine the records, reports, accounts, and files to determine whether the reports of the incoming and retiring treasurers are correct.
- (c) Forms. The following forms will be used in connection with these instructions:
- Form 419 "Receipt for Penalty Remitted or Money Deposited to Secure Payment of the Penalty"
- Form 419-A "Receipt for Penalty Remitted by Producer Prior to the Marketing of Cotton"

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Form 359 "Schedule of Remittances - Cotton
Marketing Quotas"

MQ-1 "Record of Cash Receipts and Disbursements"

(d) Maintaining files and records. The following files must be maintained in the county office for each marketing year:

1. Files for receipts for penalty remitted or money deposited to secure payment of penalty. Copies of Forms 419 and 419-A, executed or voided, shall be arranged in the county office in inverse numerical sequence and securely fastened in a manila folder labeled "194__ Receipts - Cotton."
2. Files for transmittal of remittances. Forms 359 shall be filed in a manila folder labeled "194__ Schedules of Remittances - Cotton." The second carbon copy of Form 359 shall be arranged in inverse numerical order of the transmittal number and securely fastened to the right side of the folder (that is, the side with the tab for the label). The original copy of Form 359 which is received by the county office as a receipt for the schedule shall be securely fastened to the left side of the folder. The receipted forms should be compared with the copies at least bi-monthly to determine that receipted forms are being received currently. If not, the State office should be requested to return the missing receipt(s).

Sec. 502 Receipt of remittances.

- (a) Form of remittances. The amounts received in connection with cotton marketing quota penalties may be accepted only in legal tender or in the form of checks, drafts, or money orders made payable to the order of the Treasurer of the United States, except that funds tendered to be held in escrow, to secure the payment of the penalty, or to replace an uncollectible remittance previously received must be in legal tender, cashier's check, certified check, or money order made payable to the order of the Treasurer of the United States. Each check, draft, or money order made payable to the

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the remittance will be scheduled for deposit. If a postal money order cannot be purchased on the day of the receipt of the funds, every possible safeguard must be taken to prevent the theft of the cash. The expense involved in purchasing postal money orders shall be paid from funds provided for the administrative expenses of the county agricultural conservation association.

- (b) Examination of remittances. Each check, draft, or money order tendered in payment of penalties shall be examined to determine that it may be negotiated by the Disbursing Officer. A check, draft, or money order to be negotiable must be (1) properly dated, (2) drawn payable to the order of the Treasurer of the United States, or in a manner to permit endorsement to that official, (3) signed, and (4) must show an exact agreement between the amount as expressed in figures and the written amount. Non-negotiable items should be returned to the remitter with a letter citing the reasons the remittance is not negotiable and requesting that an acceptable remittance be tendered. Any checks, drafts, or money orders drawn payable to "Agricultural Adjustment Agency," "Department of Agriculture," or in a similar impersonal manner may (if otherwise negotiable) be accepted. Checks, drafts, or money orders drawn payable to some person other than the Treasurer of the United States must first be endorsed "Pay to the order of the Treasurer of the United States" over the signature (and title) of the payee named therein (or by the last endorsee) or by some person by him duly authorized through a power of attorney to endorse for him and on his behalf, who must enter the name of the payee followed by his signature. Any checks drawn payable to the Agricultural Adjustment Agency or the United States Department of Agriculture will be endorsed in the State office. In view of the difficulty and inconveniences in securing the endorsement of the Secretary of Agriculture or other official not located in the State or county office, a remittance so payable should be returned to the remitter with a request that he tender a check, draft, or money order payable to the order of the Treasurer of the United States.
- (c) Time of remittance. The penalty is due at the time cotton is marketed and must be remitted to the treasurer not later than 30 calendar days next succeeding the day on which the cotton was marketed. The penalty may be remitted at any time within the 30-day period. If a buyer fails or

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refuses to remit the penalty due within 30 calendar days after the cotton was marketed, he must remit interest thereon at 6 percent per annum. In the event of failure to remit the interest, the buyer shall be so notified and requested to remit the amount thereof. The exceptions to the foregoing rule are as follows: (1) The penalty may be remitted by the producer prior to the time the cotton is marketed; (2) The penalty, in case a bond of indemnity is accepted to secure the payment of the penalty for a farm, is required to be remitted at the time the farm operator's report for the farm is required to be submitted; and (3) The estimated amount of the penalty to be incurred for a farm may be remitted prior to the time any cotton is marketed in connection with the farm to be held in escrow to secure the amount of the penalty. If any funds are not received within such specified time, the delay should be called to the attention of the remitter in writing. Continued failure to observe the specified time limits on the part of a remitter should be referred to the State office for appropriate handling.

Sec. 503 Issuing receipts for penalties remitted.

- (a) Issuing receipts for amounts received in payment of the penalty for cotton marketed. The treasurer shall issue a receipt on Form 419 to the person remitting the penalty in connection with cotton which has been marketed. Form 419 shall be executed in triplicate as follows:

1. In the space provided enter the State and county code number.
2. In the space provided enter the marketing year, as, for example, "1943-44." The marketing year to be so entered in each case shall be the marketing year in which the penalty remitted was actually incurred. If, for example, cotton was marketed subject to penalty on October 15, 1942, and the penalty incurred was remitted on September 5, 1943, the marketing year to be entered on Form 419 would be "1942-43."
3. Above the words "Name of remitter" and "Full mail address" enter the name and address, respectively, of the person from whom the treasurer received the remittance.

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4. In the space following the words "the sum of" enter, in writing, the amount of the remittance, as, for example, "Twenty-five and No/100."
5. Draw a line through the words "as security for payment of the penalty."
6. In column (1) enter the serial number for each farm in connection with which the remittance was made. If the farm is located in another county, the serial number shall be preceded by the State and county code number.
7. In column (2) enter the printed serial number of each buyer's ^{1/} report covering the transactions for which the remittance was made. The report of the transaction will be either the certificate accompanying the excess marketing card by which the cotton was identified when marketed or the certificate on which the buyer is required to report the purchase of unidentified cotton (Form 530). In case of a Form 530, the letter "U" preceding the printed serial number should be entered on the Form 419. If the penalty is remitted by the producer in connection with a transaction for which the buyer did not make a report and collect the penalty or if the penalty is paid by the principal or surety under a bond of indemnity, no entry should be made in column (2).
8. In column (3) enter the name of the producer from whom the buyer purchased or received the cotton or the name of the producer for whom the penalty was paid.
9. Strike the numeral "3" in the heading of column (5) and enter the rate applicable for the marketing year and enter in column (5) the number of pounds of cotton for which the penalty at such rate was remitted.
10. In column 6 enter the amount of the remittance received in connection with each farm.

^{1/} The word "buyer" as used herein shall also be construed as referring to a transferee who collects and remits penalties pursuant to section 702(b) of the regulations.

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11. Opposite the word "Total" on the front of the receipt, enter in columns (5) and (6) the sum of the entries, respectively, in columns (5) and (6) on the front and reverse side of the receipt. The total of column (6) must agree with the total amount of the remittance received.
 12. If the funds received are in the form of cash, or partly in the form of cash, enter the word "Cash" in column (B) and enter the amount thereof in column (D). After a postal money order has been purchased, enter on the first and second copies (not on the original) in column (B) the letters "USPMO" followed by the name of the post office, in column (C) the serial number of the postal money order, and in column (A) the date thereof.
 13. If the remittance is in the form of a check, draft, or money order, it shall be described in the receipt as follows:
 - a. In column (A) enter the date of the check, draft, or money order.
 - b. In column (B) enter the name of the person who signed the check or draft or who obtained the money order, except that in the case of a cashier's check or certified check the letters "CC" shall be entered.
 - c. In column (C) enter the name of the bank, firm, or person on which the check or draft was drawn or, in the case of a postal money order, the letters "USPMO" followed by the name of the issuing post office and the serial number of the postal money order.
 - d. In column (D) enter the amount of the check, draft, or money order and opposite the word "Total" enter the sum of the entries made therein.
 14. The treasurer shall sign the original and two copies and enter the date of his signature.
- (b) Receipts where amount remitted is less than amount due from the buyer. In each case where the amount of the money received as the penalty is less than the amount which should

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have been remitted by the buyer, a receipt on Form 419 for the amount actually received shall be issued to the remitter. The Form 419 shall be prepared in every respect as outlined in paragraph (a) of this section with the following exceptions which are applicable only to the execution of column (6) of Form 419:

1. A single buyer's report. In the case of a remittance intended to cover a transaction shown on a single buyer's report, there shall be entered in column (6) of Form 419 the amount of the remittance actually received.
2. Incorrectly executed buyer's report. In cases where the buyer's report is executed incorrectly and shows the collection of an amount smaller than the penalty actually incurred, there shall be entered in column (6) of Form 419 the erroneous amount shown in the report to have been collected for the farm.
3. Several correctly executed buyer's reports. In case several correctly executed buyer's reports are accompanied with a remittance from the buyer, which remittance is less than the sum of the amounts shown thereon to have been collected from the producers, the deficiency in the amount of the remittance shall, unless the buyer otherwise directs, be charged to the reports intended to be covered by the remittance in the inverse order of the dates of sale covered thereby and so recorded in column (6) of Form 419. For example, if a remittance for \$10.00 less than the penalty incurred for sales on September 1, September 5, September 7, and September 11 is received, the deficiency will first be charged to the September 11 sale up to but not in excess of the penalty incurred in that sale and then any balance of the deficiency will be charged to the September 7 sale up to but not in excess of the penalty incurred in that sale, and so on until the total deficiency is absorbed as follows: If the penalty actually incurred on the September 11 sale is \$5.00 and on the September 7 sale is \$15.00, the entry in column (6) on Form 419 for the September 11 sale will be zero and for the September 7 sale will be \$10.00, and the entries for the remaining sales will be for the full amount of the penalties incurred.
4. Subsequent remittance of deficiency. When the deficiency, or a part thereof, is remitted, a new Form 419 for the amount of the deficiency received shall be prepared. The buyer's reports charged with the deficiency, or a part

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thereof; shall be described in the new Form 419 in the manner provided in paragraph (a) of this section except that the word "Additional" shall be entered directly above the farm serial number and the entry in column (6) therefor will be the additional amount remitted.

(c) Receipts where amount remitted is more than amount due from a buyer or where the farm serial number is not shown on the certificate received from the buyer. In cases where the total amount of money received from a particular buyer is in excess of the penalties incurred as reflected by the reports of the buyer or the farm serial number is not shown on the reports, a receipt on Form 419 for the amount actually received shall be issued to the remitter. The Form 419 shall be prepared in every respect as outlined in paragraph (a) of this section with the following exceptions:

1. A record of each buyer's report shall be made in columns (1) through (5) of Form 419 and the amount shown on the report to have been collected in connection therewith shall be entered in column (6), except that if the farm serial number is not shown on a report on Form 530, make no entry in column (1) for the report.
2. In column (1), after listing the information with respect to the buyer's reports, enter the word "Suspense."
3. In column (6) opposite the word "Suspense" enter the amount of the payment which is in excess of the amount indicated by the reports.
4. Columns (A) through (D) shall be executed to describe the remittance as received.

(d) Receipts where amount remitted is less than amount due because of an incorrect rate of penalty. In each case where the amount of money received as the penalty is less than the amount which should have been remitted because the remitter computed the penalty using an erroneous rate of penalty, a receipt on Form 419 for the amount actually received shall be issued to the remitter. The Form 419 shall be prepared in every respect

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as outlined in paragraph (a) of this section except that the following notation shall be made on the next available line, columns (1) through (5), "Accepted in partial payment of the penalty actually due. Balance due has been computed as \$ _____."

- (e) Receipts for interest on delayed remittances. The treasurer shall issue a receipt on Form 419 to the person remitting interest on a delayed remittance. The Form 419 shall be prepared in every respect as outlined in paragraph (a) of this section except that the word "Interest" shall be entered in column (3). Each entry for interest shall be identified by the farm serial number of the farm in connection with which the delayed remittance was received.
- (f) Issuing receipts for funds to be held in escrow. The treasurer shall issue a receipt on Form 419 to the person depositing the funds to be held in escrow to secure payment of the penalty for a farm. The receipt shall be prepared as outlined in paragraph (a) of this section with the exception that the words "in payment of the penalty" shall be deleted instead of the words "as security for payment of the penalty."
- (g) Issuing receipts for penalties paid by the producer prior to the marketing of cotton. If a producer tenders the penalty for which he would be liable upon the marketing of any cotton prior to the time such cotton is marketed, the treasurer shall issue a receipt therefor on Form 419-A, prepared in quadruplicate, distributed, and dealt with as follows:
 - 1. A separate receipt shall be prepared for each bale of cotton with respect to which the penalty is tendered.
 - 2. In the spaces indicated enter the printed serial number of the producer's marketing card and the State and county code number and the designation of the marketing year in which the amount is received.
 - 3. Above the words "Name of producer" and "Full mail address" enter the name and address, respectively, of the producer.
 - 4. In the space following the words "the sum of" enter, in words, the amount of the penalty paid, as, for example, "Forty and No/100."

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5. In the space following the words "one bale containing" enter the net weight of the bale of cotton with respect to which the penalty is tendered. The net weight to be shown on Form 419-A shall be taken from (i) Form 716 in the case of cotton of the current crop and (ii) Form 450, 450-A, or the inspection record, in the case of carry-over penalty cotton from a prior crop.
 6. In the space following the words "or mark" enter the gin bale number or mark of such bale.
 7. In the space following the words "serial No." enter the serial number of the farm.
 8. After the dollar mark above the word "Amount" enter, in figures, the amount of the penalty tendered with respect to such bale, which must agree with the amount thereof entered after the words "the sum of."
 9. The treasurer shall sign the original and the three copies and enter on each the date of his signature.
 10. The producer shall sign his name in the space indicated on the original and the three copies and enter on each the date of his signature.
- (h) Accounting for receipts on Form 419 and Form 419-A. The receipts on Forms 419 and 419-A will be consigned to the treasurer in pads or units of 50 receipts with printed serial numbers in numerical sequence. The receipts on either Form 419 or 419-A must be issued in numerical sequence, regardless of the marketing years, and the use or disposition of each receipt must be accounted for by the treasurer. If a Form 419 or 419-A is mutilated or improperly prepared, the original and all copies of the mutilated or improperly prepared receipt shall be saved in order to account for the disposition of the receipt. All copies of each mutilated or improperly prepared receipt marked "Void" or "Canceled" shall be listed on Form 359 as outlined in section 504 and transmitted, with an explanation, to the State office. Proof of the loss or complete destruction of any Form 419 or 419-A is required and should be transmitted to the State office with the Form 359 on which the receipt would otherwise have been listed.

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Sec. 504 Letter of transmittal for remitting penalties to the state committee. The funds received during a day by the treasurer shall be scheduled on Form 359 for transmittal to the State office. A separate letter of transmittal on Form 359 shall be prepared for the amounts received for each marketing year, as, for example, if funds were received during the day for penalties incurred during the 1939-40 marketing year and also for penalties incurred during the 1943-44 marketing year, two separate Forms 359 would be prepared to accompany the amounts received for the respective marketing years. Form 359 shall be prepared in triplicate as follows:

1. In the spaces indicated enter (i) the transmittal number, beginning with 1 for the first schedule and continuing thereafter in numerical sequence for the marketing year, (ii) the State and county code number, and (iii) the sheet number and total number of sheets in the schedule.
2. In the space provided enter the designation of the marketing year in which the penalties covered by the letter of transmittal were incurred, that is, the marketing year in which the cotton was marketed or for which the remittance was given to secure the payment of the penalties.
3. In either column 1, column 4, or column 7 enter in numerical sequence the printed serial numbers of Forms 419 covering the penalties for the marketing year for which Form 359 is prepared and delete the designation "319" which is printed in the heading of the column and insert in lieu thereof "419."
4. In either column 2, column 5, or column 8 enter in numerical sequence the printed serial numbers of Forms 419-A and delete the designation "319-A" which is printed in the heading of the column and insert in lieu thereof "419-A." The printed serial numbers of Forms 419-A shall be listed after Forms 419 have been listed and shall be listed only on a Form 359 covering penalties incurred during the current marketing year.
5. In either column 3, column 6, or column 9 enter the amount covered by each Form 419 and 419-A. After the word "Total" in column 9 enter the sum of the entries in columns 3, 6, and 9.

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6. The treasurer shall execute Part I by signing and dating the original and two copies and by altering the reference therein to "Forms Cotton 319 and 319-A" so that it will read "Forms Cotton 419 and 419-A."

Sec. 505 Record on form MQ-1 of funds received in connection with farms for which farm accounts on Form 450 or 450-A have been established.

- (a) Preparation of form MQ-1. A form MQ-1 shall be prepared for each marketing year for the purpose of recording the amounts of the penalties received in connection with cotton marketed during the marketing year and funds received to secure the payment of penalties for the marketing year with respect to farms for which accounts on Form 450 or 450-A have been established. Enter above the heading of form MQ-1 the word "Cotton" and in the spaces provided enter the name of the treasurer, the names of the State and county and the code number thereof, and the marketing year.
- (b) Record of funds to be held in escrow. The treasurer shall record the receipt of funds to be held in escrow in Part I of the form MQ-1 for the marketing year as follows:
 1. In column (1) enter the date of Form 419.
 2. In column (2) enter the printed serial number of Form 419.
 3. In column (3) enter the farm serial number.
 4. In column (4) enter the amount of the funds received as shown on Form 419.
 5. In column (5) enter the transmittal number of the Form 359 on which the funds were transmitted to the State office.
- (c) Record of amounts received other than funds to be held in escrow. The treasurer shall record the receipt of amounts other than funds to be held in escrow in Part II of form MQ-1 for the marketing year as follows:
 1. In column (10) enter the date on which the funds were received as indicated by the date of Form 419.

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2. Make no entry in column (11).
3. In column (12) enter the printed serial number of Form 419. If the receipt covers remittances for more than one farm, make only one entry in column (12) for all of the farms covered thereby.
4. In column (13) enter on separate consecutive lines the farm serial number of each farm as shown on Form 419.
5. In column (14) enter on separate consecutive lines the amount of the funds received for each farm for which an entry is made under item (4).
6. If Form 419 shows a collection for interest, enter in column (13) following the respective farm serial number the word "Interest" and enter the amount of interest in column (14).
7. In column (15) enter the transmittal number of the Form 359 on which the funds were transmitted to the State office.
8. If the checks, drafts, or money orders received are not honored upon presentment for payment, an entry in red duplicating the information previously entered in Part II of form MQ-1 shall be made in columns (10) through (15) thereof. If an entry in red is made, the total of column (14) of form MQ-1 shall be the sum of the other entries therein minus the sum of the red entries.
9. If subsequently the amount of the dishonored checks, drafts, or money orders is remitted, the procedure outlined above in this subsection shall be followed.
10. If the receipt on Form 419, as provided in paragraph (c) of this section, lists a farm for which no entry appears in column (3), no entry shall be made on form MQ-1 for the farm. The unpaid penalty for the farm and the reference to Form 419 issued in connection therewith shall be entered on form MQ-1 when it is remitted.

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Sec. 506 Record on form MQ-1 of funds received in connection with farms for which accounts on Form 450 or 450-A have not been established, farms not located in the county, and farms for which the serial number is not known.

- (a) Preparation of form MQ-1. A form MQ-1 shall be prepared as provided in section 505(a) except that the words "Farms for which accounts on Form 450 or 450-A are not established, farms for which the serial number is not known, and farms not located in the county" shall be entered near the heading of the form.
- (b) Record of amounts received. Amounts received which are not to be recorded on the form MQ-1 as provided in section 505 shall be recorded by the treasurer on the form MQ-1 prepared as provided in paragraph (a) of this section as follows:
 1. In columns (1) through (5) enter the name and address of the buyer or transferee who remitted the amount received as shown on Form 419.
 2. In columns (6) through (9) enter the name and address, if known, of the producer of the cotton as shown on Form 530, if any.
 3. In column (10) enter the date the funds were received, as shown on Form 419.
 4. In column (11) enter the serial number of Form 530, if any, or, if the word "Suspense" was entered on Form 419, enter the word "Suspense" in column (11).
 5. In column (12) enter the serial number of Form 419. If the receipt covers remittances for more than one farm, make only one entry in column (12) for the farms covered thereby.
 6. In column (13) enter the farm serial number, if known, or, if not known, enter the words "Not known." If the farm is located in another county, also enter the name of the State and county in which the farm is located, or, if not known, enter the words "Not known." The farm serial number and the name of the State and county in which the farm is located usually may be obtained from Form 530; if not shown on Form 530, an

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effort should be made to ascertain the serial number and the location of the farm. This might be done by writing the person from whom the funds were received and the treasurer of the county in which the producer's address is located and the adjoining counties.

7. In column (14) enter the amount received in connection with the farm or shown on Form 419 as "Suspense" or on Form 530, as the case may be.
8. In column (15) enter the transmittal number of Form 359 on which the funds were transmitted to the State office.
9. If the word "Suspense" is entered in column (11) or the words "Not known" are entered in column (13) and it is subsequently determined that all or part of the amount in column (14) was received in connection with a farm in the county and with respect to which an account on Form 450 or 450-A was required to be established, make entries in red in columns (1) through (15) in the manner outlined in items 1 through 8 of this paragraph (b), except that the entry in column (14) will be the amount determined to have been received in connection with the farm. Corresponding entries in black shall be made on form MQ-1 prepared pursuant to section 505(a) and in the manner set forth in paragraph (c) thereof. If it is determined that all of the amount received, as shown on Form 530, or shown on Form 419 as "Suspense," was received in connection with a farm in the county for which an account on Form 450 or 450-A is not required to be established, line out the words "Not known" in column (13) of the form MQ-1 prepared as provided in this section and enter above such words the farm serial number. If only part of the amount was determined to have been received in connection with the farm, make entries in red on the next available line of form MQ-1 by entering in column (11) the word "Suspense" or the serial number of Form 530, as the case may be, in column (12) the serial number of Form 419, in column (13) the farm serial number, and in column (14) the amount determined to have been received in connection with the farm. On the next line make comparable entries in black in columns (12), (13), and (14), and make no entry in column (11). In

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all cases where any part of the amount originally credited to "Suspense" or identified with a Form 530 for which the farm serial number was not originally known or the county in which the farm is located was not known is later determined to have been collected for a particular farm, the treasurer shall advise the State office by letter of the determination. The letter shall contain the following information and a copy thereof shall be stapled to the Form 419 to which it relates:

- a. The printed serial number of Form 419 and the transmittal number of Form 359 on which the funds were recorded.
- b. The name of the remitter and the total amount of the remittance as shown on Form 419.
- c. The amount originally recorded as "Suspense" or for Form 530, as the case may be.
- d. The farm serial number of the farm to be credited with any part of the amount recorded as "Suspense" or for Form 530, as the case may be.
- e. The amount to be credited to the farm.

Sec. 507 Forwarding remittances to the State office. All funds received by the treasurer in connection with cotton marketing quotas shall be transmitted by him on the day received, or not later than the morning of the succeeding day, to the State office. The original and first carbon copy (the yellow copy) of Form 359 and the copies of Form 419 (the yellow copy thereof) and 419-A (the salmon copy thereof) shall accompany the remittance.

Sec. 508 Uncollectible items. If any check, draft, or money order is not honored upon presentment for payment, the check, draft, or money order will be returned through the State office to the treasurer. The treasurer shall notify the drawer of the check or draft, or the person who obtained the money order, of the return of the item and the reasons therefor, and he shall be requested to make a remittance in the amount due in the form of cash, postal money order, cashier's check, or certified check. The original item shall not be delivered to the remitter until an acceptable item is presented. An entry in red duplicating the information previously entered in connection with the remittance shall be made on Form MQ-1 prepared pursuant to sections 505 and 506. The total of the original Form 369 shall be lined out and the original

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total thereof less the total amount of the uncollectible items shall be entered in lieu thereof and the entry initialed and dated by the treasurer. Enter the word "Uncollectible" opposite the entry for the uncollectible item on Form 359. A new remittance replacing the one previously returned as being uncollectible shall be handled in every respect as if it were an original item, with the exception that a notation shall be made in the body of the new Form 359 that the remittance represents the recovery of the amount of the uncollectible remittance previously scheduled under transmittal No. _____ of Form 359 and schedule No. _____ of Standard Form No. 1044-Revised, and for which the receipt on Form 419 (or 419-A) No. _____ was issued.

Sec. 509 Marketing quota indebtedness register. A register of indebtedness for each marketing year shall be established for all cases where the buyer's remittance is less than the amount of the penalty incurred and where no remittance is received for a penalty incurred or an uncollectible remittance is returned. A separate form MQ-1 shall be used for this purpose, and the title thereof is altered to read "Marketing Quota Indebtedness Register" followed by the designation of the marketing year. The detailed execution of the indebtedness register shall be as follows:

1. In column (1) enter the date on which the county office received the buyer's report of the transaction which is charged with a portion or all of the deficiency, unpaid penalty, or unpaid interest.
Comment: A transferee shall be placed on the register of indebtedness only if the report of the transaction shows that the penalty was collected by him but the amount collected by him has not been remitted.
2. In column (2) enter the printed serial number of Form 419 or, if no Form 419 was prepared because the report of the buyer was not accompanied with any remittance, enter the word "None."
3. In column (3) enter on separate consecutive lines the farm serial number of each farm charged with the deficiency as shown on Form 419 or, if no Form 419 was prepared, the farm serial number of each farm as shown on the buyer's report which was not accompanied with any remittance.
4. In column (4) enter the amount of the deficiency, unpaid penalty, or unpaid interest for each farm. In

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the case of a deficiency or unpaid penalty, a notation shall be made to indicate that interest is to be computed at the time settlement of the indebtedness is effected.

5. In column (5) enter the serial number of the buyer's report of the transaction which is charged with the deficiency, unpaid penalty, or unpaid interest. In recording the serial number of any buyer's or transferee's report, the entry shall be preceded by the letters "CR" or "U" as the case requires.
6. The remaining space in columns (10) through (21) may be used for entering the name and address of the buyer who is placed on the register and for noting briefly any information regarding the non-payment which the county office may desire.
7. When any deficiency, unpaid penalty, or unpaid interest is received, the record of the receipt thereof shall be made opposite the entry previously made in columns (1) through (5) of form MQ-1 as follows:
 - a. In column (6) enter the date the remittance was received as shown on the new Form 419.
 - b. In column (7) enter the serial number of the new Form 419.
 - c. Make no entry in column (8).
 - d. In column (9) enter the amount of the remittance.

Sec. 510 Refunds or transfers in connection with farms for which accounts on form 450 or 450-A are required to be established.

- (a) Conditions under which refunds may be made to producers.
No refund of money received in connection with the marketing during any marketing year of cotton on any farm for which a farm account on form 450 or 450-A is required to be established shall be made under this section unless and until the following conditions have been met:
 1. The farm marketing quota for the farm has been finally determined and finally apportioned or

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reapportioned among the producers thereon in accordance with instructions applicable to the marketing year.

2. The money collected has been remitted to the treasurer and transmitted by him to the State office for deposit in the special deposit account and has not been transferred out of the special deposit account into the general fund.
 3. The farm operator's final report for the marketing year has been made and approved by the county committee.
 4. The interest of every person on the farm in the money received in connection with the marketing of cotton is determined.
 5. The total amount of money received is in excess of the sum of the penalties incurred by the producers on the farm in connection with the marketing of cotton in excess of their respective shares of the farm marketing quota for the marketing year.
 6. The county committee has examined the records with respect to the farm for the marketing year and has approved such records as being correct.
 7. A State office representative has examined the records with respect to the farm for the marketing year and has approved such records as being correct.
- (b) Determination of refunds in connection with penalties paid. Each producer on the farm shall be entitled to a refund of the amount computed for him on the farm account established for the farm for the marketing year, provided the conditions set forth in the preceding paragraph of this section have been met and the county committee is satisfied that such producer bore the burden of the payment of such amount and has not been reimbursed therefor by any other person. If any other person has reimbursed such producer, such other person shall be entitled to receive a refund to the extent of the amount which he reimbursed the producer. Notwithstanding that the conditions set forth in paragraphs 1 and 3 of paragraph (a) of this section have not been met, refunds may be made to the producers on a farm, provided

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the county committee determines no penalties will be incurred for the reason that the final farm marketing quota will equal or exceed the sum of (1) the cotton produced on the farm in the calendar year in which the marketing year begins and (2) the carry-over cotton designated to be marketed in connection with the farm for the marketing year.

- (c) Determination of refunds in connection with funds in escrow. Refunds to producers on any farm of funds deposited in escrow which are in excess of penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota shall be made to the person(s) who deposited such funds with the treasurer. No refund shall be made under this paragraph until the conditions set forth in paragraph (a) of this section have been met. No refund shall be made under this paragraph before the close of the marketing year unless either all cotton (including all cotton produced on the farm in the calendar year in which the marketing year begins and all carry-over cotton designated to be marketed in connection with the farm during the marketing year) has been marketed or, if it has not been marketed, it has been determined that no penalties will become due with respect to the marketing of such cotton if such cotton would be marketed during such marketing year. No refunds shall be made under this paragraph at the close of the marketing year of an amount greater than the amount by which the funds deposited in escrow exceed the penalties which will become due with respect to the marketing of any cotton not marketed as of that date.
- (d) Conditions under which transfers shall be made where total collections do not exceed penalties incurred. If (1) a final operator's report has been made for any farm, (2) the farm account for the farm has been approved by the county committee, and (3) it is determined that the total collections and remittances of money for the farm are not in excess of penalties incurred in connection with the marketing of cotton on the farm for the marketing year, the amount so collected and remitted shall be transferred to the general fund.
- (e) Notice to State committee of refunds and transfers. As soon as possible after the conditions set forth in paragraph (a), (b), or (c), whichever is applicable, have been met in connection with a farm, the county committee shall

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notify the State committee of (1) the amount collected and credited to the farm account, (2) the amount thereof to be transferred to the general fund, (3) the amounts to be refunded, if any, (4) the names and addresses of the persons to whom such refunds are to be made, and (5) the amounts, if any, to be retained in the special deposit account. Such notice shall be made on Form 561, "Report on Farm Account - Cotton Marketing Quotas."

(f) Preparation of Form 561 for farm accounts. Form 561 shall be prepared in duplicate as follows:

1. In the space provided enter the State and county code and farm serial number.
2. In the space provided enter the sheet number and the total number of sheets of Form 561 required to list the information for the farm.
3. In the space provided enter the marketing year.
4. In the spaces provided at the heading of the columns enter (1) the farm acreage allotment, (2) the normal yield per acre, (3) the acreage planted to cotton, (4) the actual yield per acre, and (5) the amount of carry-over penalty free cotton carried over into the marketing year for which the Form 561 is prepared which is not under a Commodity Credit Corporation loan at the time the Form 561 is prepared or the end of the marketing year, whichever is earlier. Such information will be taken from the farm account on Form 450 or 450-A established for the farm for the marketing year.
5. In column A enter the name and address of each person on the farm in the order in which they appear on the farm account, and, if such person is deceased or has been declared incompetent, enter after his name the word "Deceased" or "Incompetent" as the case may be.
6. In column B for each producer enter the amount of his share of the production of the farm as shown on the farm account.
7. In column C for each producer enter his final producer marketing quota as shown on the farm account.

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8. In column D for each producer enter his respective share of the amount of cotton marketed as shown on the farm account.
9. In column E enter for each producer the amount of penalties incurred by him as shown on the farm account. Comment: For each producer the entry in column E should be the amount by which the entry in column D exceeds the entry in column C times the rate of penalty applicable for cotton produced in the marketing year.
10. In column F enter for each producer the amount of money collected as shown for him on the farm account. Enter above such amount the amount of interest collected in connection with delayed remittances with respect to cotton marketed by the producer and encircle the amount.
11. In the heading of column G enter the total amount of penalties incurred for the farm which is in excess of the amount collected for the farm as shown on the farm account. Comment: To check the accuracy of this entry, subtract the unencircled total of column F from the total of column E. The result should equal the amount of penalties incurred but not paid.
12. In column G for each producer enter the amount of penalties incurred but not paid by him as shown on the farm account. Comment: To check the accuracy of this entry, subtract the entry in column F from the entry in column E.
13. In column H for each producer enter the amount by which the entry in column F exceeds the entry in column E, if any.
14. Make no entry in the heading of column I.
15. In column I for each producer enter the amount to be transferred to the general fund as shown on the farm account. Comment: To check the accuracy of this entry, subtract the amount in column J from the entry in column F and add the encircled entries in column F.

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16. Make no entry in the heading of column J.
17. In column J for each producer enter the amount to be refunded to him as shown on the farm account.
18. The amount, if any, in the heading of column G must equal the amount by which the sum of the entries in column E exceeds the sum of the unencircled entries in column F. The sum of the entries in column G need not necessarily equal the amount in the heading thereof.
19. The sum of the entries, if any, in column J must equal the amount by which the sum of the unencircled entries in column F exceeds the sum of the entries in column E.
20. In the event funds in escrow are to be transferred to the next marketing year to secure the penalty on carry-over penalty cotton, enter in column A the words "Funds in escrow to be transferred to the 194_ -4_ marketing year" and the amount of such funds.
21. List in the spaces provided the name of each producer having an interest in other farms and the State and count code and farm serial number of each such farm.
22. Enter beneath the words "Schedule No. of Standard Form No. 1044-Revised" the schedule number of each Standard Form No. 1044-Revised on which remittances for the farm were scheduled for deposit to the special deposit account and beneath the words "Serial No. of Form 419 or 419-A" enter the serial number of the Form 419 or 419-A on which amounts were shown to have been collected and remitted for the farm, and beneath the word "Amount" enter the amount collected for the farm as shown on the Form 419 or 419-A, thus:

Schedule No. of Standard Form No. 1044-Revised	Serial No. of 419 or 419-A	Amount
43-C-50	31467	18.00
		12.00
43-C-5C	31472	10.00

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If additional space is needed, use a separate sheet and attach it securely to Form 561. This information will be obtained by tracing each serial number of Forms 419 and 419-A entered on the farm account to the receipted copy of the related Form 359 on which is shown the schedule number of the Standard Form No. 1044-Revised. The sum of the entries under the word "Amount" must equal the total of column F.

23. If the county committee has found that any person shown in columns A and J as entitled to a refund has been reimbursed by another person and such other person is entitled to a refund, encircle the entry in column J and attach to Form 561 a separate statement in duplicate showing (1) the name and address of such other person, (2) the amount which he is entitled to receive as a refund, and (3) the material facts constituting the basis of the committee's finding that such person is entitled to receive such refund.
24. The approval of Form 561 shall be indicated by a member of the committee affixing his signature in the space provided. The treasurer and the State office representative shall each affix his signature in the space provided. The Form 561 shall be submitted to the State office in duplicate. One copy of Form 561, with a copy of the statement attached, if any, will be returned by the State office.

- (g) Procedure to be followed in refunding small amounts. If the amount of refund determined for a producer is 25 cents or less, a statement signed by the treasurer shall be attached to Form 561 to the effect that a refund is not to be made to the producer. If the amount of refund determined for a producer is greater than 25 cents but less than one dollar, the producer should be advised in writing of the amount of the refund and advised that a refund will not be made unless request therefor is filed with the county office within 10 days from the date of the letter. These instructions shall not be construed as precluding the right of any producer to file a subsequent claim for the refund in accordance with the applicable instructions.

Sec. 511 Refunds in connection with forms for which accounts on Form 450 or 450-A have not been established.

- (a) Conditions under which refunds may be made. Notwithstanding the provisions of section 510, in case any funds are

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received in connection with a farm in the county for which a farm account on Form 450 or 450-A is not required to be established, a refund may be made at any time to the person(s) who the county committee determines bore the burden of the payment of the amount received, provided (1) white marketing cards not marked "Penalty Secured" or "One Thousand Pounds" were properly issued for the farm and (2) the operator of the farm or, upon his failure or refusal, the producers on the farm claiming a refund file with the committee a statement in duplicate setting forth (i) the interest of each producer in the cotton with respect to which the funds were collected or remitted, (ii) the amount collected from or paid by each such producer with respect to the cotton, and (iii) a representation that the cotton belonged to the producers on the farm and was produced on the farm or was carry-over penalty free cotton marketed in connection with the farm. As provided in the regulations, no refund shall be made to a buyer or transferee under this section if such buyer or transferee collected, or was under a duty to collect, the amount remitted.

(b) Notice to State committee of refund. As soon as possible after the conditions set forth in paragraph (a) of this section have been met, the county committee shall notify the State committee of (1) the amount collected in connection with the farm, (2) the amounts to be refunded, if any, and (3) the names and addresses of the persons to whom such refunds are to be made. Such notice shall be made on Form 561, "Report on Farm Account - Cotton Marketing Quotas," which shall be prepared as provided in section 510(f), except as follows:

1. The information to be entered on the form will be taken from available records in the county office.
2. The actual yield and the amount of carry-over penalty free cotton not under loan need not be entered.
3. In column A enter only the names and addresses of those producers on the farm who shared in the cotton marketed and with respect to which the collection was made.
4. In columns B and C enter a statement to the effect that no carry-over penalty cotton was designated to

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be marketed in connection with the farm.

5. In column D enter for each producer his share in the cotton marketed with respect to which the collection was made.
6. Make no entry in column E.
7. In column F enter the amount collected with respect to each producer.
8. Make no entries in columns G, H, or I, or the headings thereof.
9. In column J enter the amount to be refunded for each producer.
10. A copy of the statement required pursuant to paragraph (a) hereof shall be attached to Form 561 at the time it is forwarded to the State office.

Sec. 512 Records of refunds and transfers in connection with farms for which accounts on Form 450 or 450-A are established. A record of each refund or transfer, as shown on Form 561, prepared in connection with a farm for which an account on Form 450 or 450-A is required to be established shall be made as follows:

1. On the farm account in the space provided enter the transfer number or the serial number assigned to the refund voucher as shown in the heading of column I or J of the copy of Form 561 returned by the State office.
2. On form EQ-1, prepared as provided in section 505, for the marketing year,
 - a. In the case of funds in escrow -
 - (i) In column (6) enter the date the copy of Form 561 was returned by the State office.
 - (ii) In column (7) enter the serial number of Form 419 issued to the person depositing the funds in escrow, followed by a dash and the page number of form EQ-1 on which Form 419 is shown in column (2). Each deposit of

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funds to be held in escrow, which is represented by separate Forms 419, shall be entered on separate consecutive lines.

- (iii) In column (8) enter the farm serial number as shown on Form 419.
- (iv) In column (9) enter the amount shown for the farm on Form 419.
- (v) In column (10) enter the date the copy of Form 561 was returned by the State office.
- (vi) In column (11) enter the serial number of Form 419 as in item (ii) above.
- (vii) Make no entry in column (12).
- (viii) In column (13) enter the farm serial number.
- (ix) In column (14) enter the amount shown for the farm on Form 419.
- (x) In column (15) enter the transmittal number of the Form 359 on which the funds in escrow were scheduled to the State office.
- (xi) In column (16) enter the date the copy of Form 561 was returned by the State office.
- (xii) In column (17) enter the farm serial number.
- (xiii) Make no entry in column (18).
- (xiv) In column (19) enter the serial number of the refund voucher or the transfer number, as the case may be, as shown on the copy of Form 561 returned by the State office.
- (xv) In column (20) enter on separate consecutive lines the names of the payees, which will be the names of the persons for whom refunds were approved as shown on Form 561 or the attached statement. The first payee shall be entered on the line opposite the serial number of the refund voucher.

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- (xvi) After the names of the payees, if any, have been entered as in item (xv) above, enter in column (20) on the line next succeeding the name of the last payee the words "Penalties Account."
 - (xvii) In column (21) enter for each payee the amount shown for him in column J of Form 561 or the attached statement, if any.
 - (xviii) In column (21) enter opposite the words "Penalties Account" the total of column I of Form 561.
 - (xix) In the event there is an entry on Form 561 indicating that funds in escrow are to be transferred to a subsequent marketing year, record the disbursement in accordance with this section except that the words "Transferred to the _____ marketing year" shall be entered in column (20) and the amount so transferred shall be entered in column (21) and encircled. The amount so transferred shall be recorded on Form Q-1 prepared for the subsequent marketing year, as provided in section 505.
- b. In the case of collections not held in escrow -
- (i) In column (16) enter the date the copy of Form 561 was returned by the State office.
 - (ii) In column (17) enter the farm serial number.
 - (iii) Make no entry in column (18).
 - (iv) In column (19) enter the serial number of the refund voucher or the transfer number, as the case may be, as shown on the copy of Form 561.
 - (v) In column (20) enter on separate consecutive lines the names of the payees, which will be the names of the persons for whom refunds were approved as shown on Form 561 or the attached statement.

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- (vi) After the names of the payees, if any, have been entered as in item (v) above, enter in column (20) on the line next succeeding the name of the last payee the words "Penalties Account."
- (vii) In column (21) enter for each payee the amount shown for him in column J of Form 561 or the attached statement, if any.
- (viii) In column (21) enter opposite the words "Penalties Account" the total of column I of Form 561.

Sec. 513 Record of refunds in connection with farms for which accounts on Form 450 or 450-A have not been established. A record of each refund is shown on Form 561 prepared in connection with a farm for which an account on Form 450 or 450-A is not required to be established shall be made on form MQ-1 prepared as provided in section 506 as follows:

1. In column (16) enter the date the copy of Form 561 was returned by the State office.
2. In column (17) enter the farm serial number.
3. Make no entry in column (18).
4. In column (19) enter the serial number of the refund voucher as shown on the copy of Form 561.
5. In column (20) enter on separate consecutive lines the names of the payees, which will be the names of the persons for whom refunds were approved as shown on Form 561 or the attached statement.
6. In column (21) enter for each payee the amount shown for him in column J of Form 561 or the attached statement, if any.

Sec. 514 Extract of Form 530 received in connection with a farm located in another county.

- (a) Preparation of extract of Form 530. In case it is determined that a Form 530 received in the county was executed with respect to cotton marketed in connection with a farm which is located in another county, the treasurer shall prepare an extract thereof by transcribing all information

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shown thereon to a new Form 530 and forwarding the original of the extract to the treasurer of the county in which the farm is located. The serial number of the new Form 530 shall be lined out and the serial number of the Form 530 received from the buyer or transferee shall be entered beneath the stricken serial number. The extract shall be forwarded to the other county only after a copy of Form 359, on which Form 419 covering the transaction was scheduled, is returned by the State office. The extract shall be accompanied with a letter setting forth (1) the State and county code number of the county sending the extract, (2) the schedule number of the Standard Form No. 1044-Revised on which the collection in connection with the transaction was scheduled by the State office for deposit in the special deposit account (to be obtained from the copy of Form 359 returned by the State office), (3) the serial number and date of the Form 419 issued to the person from whom the collection was received, (4) a description of the check, draft, or money order, as described on Form 419, (5) the amount of the check, draft, or money order which represents collections in connection with the farm, and (6) the serial number of the farm and the name of the State and county in which the farm is located. The copy of the letter forwarded to the State office will constitute authority for the State office to credit the county to which the extract was sent.

(b) Record of extracts of Forms 530. A record of each extract of Form 530 shall be made on form 112-1 prepared as provided in section 506 as follows:

1. In column (16) enter the date the extract and accompanying letters were mailed to the county in which the farm was located.
2. In column (17) enter the farm serial number preceded by the State and county code number of the county in which the farm is located.
3. In column (18) enter the serial number of Form 530.
4. Make no entry in column (19).
5. In column (20) enter the name of the State and county to which the extract was sent.
6. In column (21) enter the amount of the remittance representing collections in connection with the farm

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as shown on Form 530. [Comment: A refund or transfer of the amount collected, as represented by the extract, will be initiated by the county committee of the county to which the extract is sent.]

- (c) Record of extracts of Forms 530 received. If an extract on Form 530 and accompanying letter identifying the receipt on Form 419 and the schedule number of the Standard Form No. 1044-Revised are received from another county, a record of the extract, if it relates to a farm for which an account on Form 450 or 450-A is established, shall be made on form MQ-1 prepared as provided in section 505 in the same manner as if such Form 530 and the amount collected in connection with the farm had been received directly from a buyer or transferee. The Form 530 shall be posted to the farm account on Form 450 or 450-A. If Form 530 was executed in connection with a farm for which an account on Form 450 or 450-A is not established, a record shall be made on form MQ-1 as provided in section 506 in the same manner as if the Form 530 and the collection in connection therewith had been received directly from the buyer or transferee.
- (d) Preparation of Form 561 in a case where all or part of the collections received in connection with the farm was received in another county from which an extract on Form 530 was received. If all or part of the collections in connection with a farm was received in another county and an extract on Form 530 has been received from such county, Form 561 for the farm shall be executed as provided in section 510(f) or section 511(b), as the case may be. In preparing Form 561, the State and county code number of the county from which the extract on Form 530 was received shall be entered on the left of the schedule number of Standard Form No. 1044-Revised on which the collection represented by the extract was scheduled for deposit in the special deposit account. This information will be taken from the letter accompanying the extract on Form 530.

Sec. 515 Persons entitled to refunds who have died or been declared incompetent.

- (a) Preparation of Form 561. In case any person who the county committee determined would be entitled to a refund has died or been declared incompetent, Form 561 shall be prepared as in other cases except that the name of such person shall be entered on Form 561 followed by the word "Deceased" or "Incompetent," as the case may be.

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- (b) Preparation of Standard Form No. 1055. Standard Form No. 1055 shall be prepared in accordance with the County Office Claims Procedure.
- (c) Records. A record of each Form 561, whether or not the deceased or incompetent person is the only person shown thereon to be entitled to a refund, shall be made on the farm account if one is established therefor and on the appropriate form MQ-1 as in other cases, except as follows:
1. In case the deceased or incompetent person is the only person entitled to a refund as shown on Form 561, the entry in column (20) of form MQ-1 will be the name of such person followed by the word "Deceased" or "Incompetent," as the case may be, and a notation shall be made in the right margin opposite the name of such person as to the date Standard Form No. 1055 is forwarded to the State office.
 2. In case the deceased or incompetent person is not the only person entitled to a refund as shown on Form 561, the name of the deceased or incompetent person followed by the word "Deceased" or "Incompetent," as the case may be, shall also be entered in column (20) of form MQ-1 and the amount to which such person would be entitled to receive as a refund shall be entered in column (21) of form MQ-1. The amount to be entered in column (21) shall be the amount shown on Form 561 for such deceased or incompetent person. A notation shall be made in the right margin opposite the name of the deceased or incompetent person as to the date Standard Form No. 1055 is forwarded to the State office.

Sec. 516 Treasury checks. The County Office Claims Procedure shall be followed in handling cases where checks issued in refund of marketing quota penalties are undelivered, erroneously delivered, lost, destroyed, stolen, erroneously issued, or the payee is deceased or has been adjudged incompetent.

Sec. 517 Refunds to persons other than producers.

- (a) Determination of refunds. If after the audit of reports of buyers or transferees (the postal card copy of Form 530 or the certificate contained in the producer's marketing card) it appears that the remittances received in connection with the transactions were in excess of

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penalties incurred by such reports, the county committee shall ascertain the reasons for the excess with a view to determining whether the excess represents (1) penalties incurred by producers and which the buyer or transferee collected or, in the case of a buyer, was under a duty to collect or (2) the buyer's personal funds which were remitted through error. If it is determined that the excess represents funds which were collected by the buyer or transferee or, in the case of the buyer, which he was under duty to collect, the amount thereof shall be credited, as provided in paragraph 9 of section 506(b), to the farm on which the cotton in connection with which the amount was collected or should have been collected was marketed. If it is determined that the excess or part thereof represents the buyer's or transferee's personal funds which were remitted through error, a refund of such amount may be made to him provided he has not been reimbursed therefor. No refund shall be made under this section until the State office representative has examined the county office records (Form 419 and related forms) pertaining to such buyer or transferee and approved the refund.

- (b) Notice to the State committee. If a refund is to be made pursuant to this section, the county committee shall advise the State committee by letter, in duplicate, which shall contain the following information:
1. The name and address of the person to whom the refund is to be made.
 2. The serial number of Form 419 issued to the buyer or transferee at the time the remittance was received from him.
 3. The amount shown on Form 419 as "Suspense" or in connection with Form 530, as the case may be.
 4. The amount authorized to be refunded.
 5. The transmittal number of Form 359 on which Form 419 was scheduled.
 6. The schedule number of the Standard Form No. 1044-Revised on which the remittance was scheduled by the State office for deposit in the special deposit account

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(to be obtained from the copy of Form 359 returned by the State office). The letter shall be signed by a member of the county committee and the treasurer and be approved by the State office representative. There shall be attached to the letter a statement, signed by the person to whom the refund is to be made, to the effect that such person did not collect the amount to be refunded from any other person and that such amount represents his personal funds which he was not under duty to collect or remit in connection with any cotton marketed to him or otherwise. A copy of the letter will be returned by the State office showing the refund voucher number.

(c) Record of refunds. A record of any refund pursuant to this section shall be made on form HQ-1 prepared as provided in section 506 as follows:

1. In column (16) enter the date the copy of the letter authorizing the refund is returned by the State office.
2. In column (17) enter the word "Buyer" or "Transferee," as the case may be.
3. Make no entry in column (18).
4. In column (19) enter the serial number of the refund voucher.
5. In column (20) enter the name of the person to whom the refund is to be made.
6. In column (21) enter the amount to be refunded.